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RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHKO/AMEMBASSY TOKYO 3014
RUEHBJ/AMEMBASSY BEIJING 5904
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RHEHNSC/NSC WASHDC

UNCLAS SECTION 01 OF 02 JAKARTA 000255

SENSITIVE SIPDIS

DEPT FOR OES/ENRC, EAP/MTS USTR FOR DBROOKS BANGKOK FOR RDM/A

E.O. 12958: N/A

TAGS: <u>SENV</u> <u>EAGR</u> <u>KGHG</u> <u>ECON</u> <u>PGOV</u> <u>ID</u>

SUBJECT: ILLEGAL LOGGING: 5 INDONESIAN OFFICIALS, 19 OTHERS

CONVICTED

REF: A. 2008 JAKARTA 1961 1B. 2008 JAKARTA 935 1C. 2008 JAKARTA 778

11. (U) Summary: The recent convictions of 24 suspects including three police officers reflect the Government of Indonesia's sincere effort to combat illegal logging. Enforcement has had a clear dampening effect on illegal logging activity, although forest conservation remains a major challenge. Police ended illegal logging investigations of 13 companies due to insufficient evidence but insisted that they would not hesitate to investigate suspected illegal activities in the future. End Summary.

Police, Forestry Officials among 24 Sentenced

- 12. (U) During the week before Christmas 2008, a court in Ketapang, West Kalimantan, convicted 24 individuals on charges related to illegal logging. Among the 24 were the head of the local forestry service office and one of his staff, as well as the police chief and two of his subordinates. The remaining 19 included 12 boat captains and seven owners of timber seized by the authorities. Sentences ranged from nine months' imprisonment and one million rupiah (approximately USD 90) fines for the boat captains to three years imprisonment and five million rupiah (approximately USD 450) fines for the police officials.
- 13. (U) Although prosecutors had requested more severe sentences (six years' imprisonment and 50 million rupiah, or USD 4500), the convictions were broadly welcomed by civil society. In part because of this major operation, the regional director of one environmental NGO acknowledged that enforcement and handling of illegal logging cases in West Kalimantan had improved during 2008. The West Kalimantan police registered a total of 203 illegal logging cases in 2008, up from 143 in 2007.
- 14. (U) Background: In a large joint operation with national forestry officials in April 2008, the Indonesian National Police (INP) seized 19 vessels carrying 12,000 illegally harvested logs worth over \$23 million (reftels) in Ketapang. The operation reflected President Yudhoyono and the Indonesian National Police Chief Bambang Hendarso Danuri's continuing commitment to combat illegal logging.

East Kalimantan: Illegal Logging on Decline

15. (SBU) In East Kalimantan, anecdotal evidence indicates that official action against illegal logging has impacted local businesses. In Tarakan City, some of the smaller hotels have closed and other small and medium enterprises that depend on the lumber trade are struggling, according to residents. Hotel managers and

trade are struggling, according to residents. Hotel managers and taxi drivers believe that the government crackdown on illegal

logging is responsible for this decline, having reduced the availability of inexpensive wood.

16. (U) According to East Kalimantan Police Chief Andi Masmiyat, his force registered 124 illegal logging cases--108 of which are still under investigation--in 2008. These cases included the seizure of over 11 million cubic meters of wood, 36 boats, and other logging equipment.

Riau, Sumatra: Illegal Logging Investigations End

- 17. (U) In January, officials announced that they would release up to two million cubic meters of suspect wood which they had seized in Riau Province since 2007. The wood belonged to 13 out of 14 companies that the police had been investigating on charges related to illegal logging. In December 2008, the provincial police decided to end their investigation of the 13 companies. According to Riau Police Chief Brigadier General Hadiatmoko, the police and public prosecutor concluded that there was insufficient evidence of criminal behavior, following expert opinions provided by the Ministry of Environment and the Ministry of Forestry.
- 18. (SBU) Many NGOs criticized the decision. Two of the NGOs whose activism prompted the police investigation claim that expert opinion was manipulated. Two university forestry experts who assisted the police were later replaced by an expert from the Ministry of Forestry office responsible for commercial forest plantations. The NGOs are still waiting to receive a copy of the official police order that closed the investigation, in order to examine its justification for doing so. Police Chief Hadiatmoko has insisted, however, that the authorities would not hesitate to investigate any

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suspected illegal activities in the future.

19. (U) Still, encroachment in forests (including national parks) remains a major challenge (reftels). In East Kalimantan, less than 30 percent of the 198,000 hectare Kutai National Park remains unaffected by encroachment and clearing. In Sumatra, at least 200,000 of Kerinci Seblat National Park's 1.4 million-hectares have been lost to encroachment and logging.

HUME